

LETTER OF INTENT

This Letter of Intent is entered into by and between the City of Chula Vista ("City") and the County of San Diego ("County") for the purpose of memorializing and expressing the intent of the City and County to explore siting, design, construction, and operation of a County Library ("Project") on a City owned site as further described herein.

Although this Letter of Intent is not a legally binding agreement, or an amendment to any existing agreement, it does contain some of the essential principles that would form the basis of a Ground Lease and Design and Construction Agreement ("Agreement") that would be entered into between the City and County subject to California Environmental Quality Act compliance.

This Letter of Intent is based on the following facts:

1. **Intent.** It is the desire of the parties to enter into negotiation of an Agreement based upon substantially the terms described in this Letter of Intent. The City and County will work to locate a suitable area of approximately 60,000 square feet (the "Premises") within the City owned property described below. (See Attached Exhibit 1.)
2. **Property Description.** The City is the owner of the Chula Vista Municipal Golf Course property, identified as APN 593-240-24, and an adjoining parcel identified as APN 593-031-31, within which approximately three acres of land are vacant and available for development. Said three acres is located in the 4400 block of Bonita Road, immediately west of the Chula Vista Municipal Golf Course Pro Shop ("Property").
3. **Project Description.** City and County agree the Project is envisioned as an approximately 10,000 square foot library which shall be owned and operated by the County under the terms of the Agreement. The Library Facility may include a 2,000 square foot community meeting room.
4. **California Environmental Quality Act (CEQA) Compliance.** County agrees to assume responsibility as the lead agency under CEQA for the environmental analysis necessary to proceed with the Project. County agrees to conduct an initial study pursuant to CEQA and prepare the appropriate environmental document as required by CEQA. County shall consult, coordinate with and seek the concurrence of the City during the preparation and approval of the CEQA document. The County shall pay all costs associated with the preparation of and processing of CEQA documents for the facility.

5. **Ground Lease.** City and County agree to meet in good faith to negotiate a Ground Lease for the Premises which may include but is not limited to the following terms:
 - a. Term. The term of the proposed Ground Lease shall be 40 years following the completion of construction of the library facility. County shall have five 10-year options to extend the Ground Lease. The Lease will contain a provision for early termination at the County's sole option. Ownership of the building and site improvements will revert to the City upon termination or expiration of the lease period or, if directed by City, County will return the site to the City in substantially the state in which it was provided at commencement of the lease.
 - b. Rent. The County shall pay no rent during the term of the Ground Lease or any extension thereof. Consideration for the ground lease shall be the County's construction, maintenance and operation of the Library, attached rooms, parking lot and landscaping within the leasehold.
 - c. Use. The County shall use the Premises solely for construction and operation of a public County Library.
6. **Permits and Entitlements.** The County shall be the lead agency in processing, General Plan amendment (if required), Conditional Use Permit, and building/grading permits for the Project through the City of Chula Vista Planning and Building Department. To the extent possible, the City will endeavor to expedite processing of these documents. Design of the Library shall be subject to approval by the City Design Review Committee.
7. **Condition of Site.** Site preparation for the County leased Premises, including the import of fill dirt shall be at County's sole cost. The City shall work with the County to obtain and facilitate the use of suitable free fill-dirt from nearby CalTrans projects.
8. **Design and Construction.** Design and construction of the new Library shall be at the County's sole cost.
9. **On-going Operation and Maintenance.** Operation and staffing of the Library shall be the sole responsibility of the County. County shall also be responsible for all interior and exterior maintenance of the building and all associated site improvements.
10. **Right of Entry.** City does hereby grant County, its agents, employees, consultants and contractors permission to enter upon the Property for the purposes of conducting all reasonably required environmental testing and work necessary to enter into the Agreement. County or its agents, employees, consultants and contractors shall maintain broad form comprehensive or commercial general liability insurance, including broad form contractual liability insurance, which

covers all activities undertaken on the Property. Such insurance shall provide a liability limit of not less than \$2,000,000 per occurrence. County is permitted to provide City evidence of its self-funded liability program for Commercial General Liability, Auto Liability, and Workers Compensation. County shall indemnify, protect, defend, and hold harmless City from and against any and all claims for damages, losses, costs or liabilities arising from this grant of permission to enter the Property.

11. **City and County Reservation of Discretion and Compliance with Applicable Law.** It is understood that the City and the County reserve the right to exercise their discretion as to all matters, which the City and the County are by law entitled or required to exercise its discretion. In addition, any agreements, amendments or approvals processed for City Council and County Board of Supervisor approval will be subject to, and brought to City Council and County Board of Supervisors respectively, for consideration in accordance with applicable legal requirements.
12. **Counterparts.** This Agreement may be executed in any number of counterparts (each of which shall be original) and by facsimile (which along with the originally executed Agreement) shall constitute one and the same document.

The parties are in agreement with the foregoing as indicated by their signatures below. The parties agree that any modifications from the principles expressed herein will be in writing and signed by the parties. The signatory below for the City and for the entity referred to as County in this Letter of Intent represents having the authority to act on behalf of such party and entity. County understands that the Agreement requires the approval of the City Council and the City understands that the Agreement requires the approval of the County Board of Supervisors.

(Next Page is Signature Page)

SIGNATURE PAGE TO
LETTER OF INTENT

IN WITNESS WHEREOF, the parties hereto have caused this Letter of Intent to be executed the day year first hereinabove set forth.

THE CITY OF CHULA VISTA

COUNTY OF SAN DEEGO

Stephen C. Padilla
Mayor

By: _____
Clerk, Board of Supervisors

ATTEST: _____

By: _____
Susan Bigelow
City Clerk

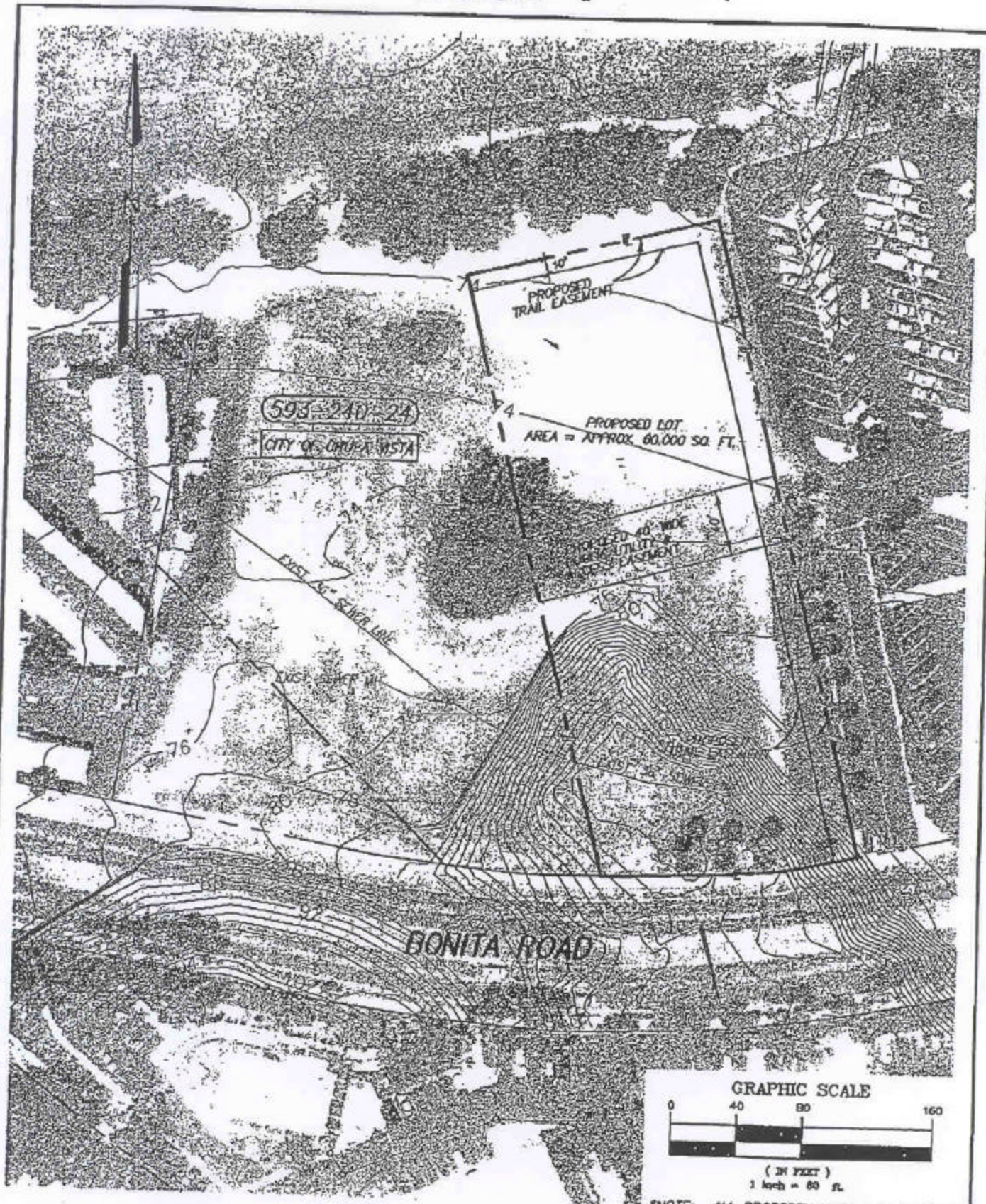
Approved as to form by

Ann Y. Moore
City Attorney

Approved as to form by

County Counsel

EXHIBIT "1"



*NOTE: ALL PROPERTY LINES AND EASEMENT LOCATIONS ARE APPROXIMATE AND ARE FOR EXHIBIT PURPOSES ONLY.

DATE: 2-26-03
SHEET 1
OF 1 SHTS.

TITLE:

CITY OF CHULA VISTA
A.P.N. 593-240-24

PREPARED BY:
GREG TSCHERCH

APPROVED BY:
MATT LITTLE